



# First Quarter 2017 Supplementary Information

April 27, 2017

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# Forward-Looking Statements, Estimates and Non-GAAP Measures

This presentation contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements include all statements that are not historical fact, including statements about management's beliefs and expectations. These statements may be identified by words such as "anticipate," "intend," "expect," "may," "could," "should," "would," "plan," "estimate," "seek," "believe," "potential" and similar expressions. Forward-looking statements are based on management's beliefs as well as assumptions made by and information currently available to management. Because such statements are based on expectations as to the future and are not statements of historical fact, actual results may differ materially from what is contemplated by the forward-looking statements. Altisource undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise. The risks and uncertainties to which forward-looking statements are subject include, but are not limited to, Altisource's ability to integrate acquired businesses, retain key executives or employees, retain existing customers and attract new customers, general economic and market conditions, behavior of customers, suppliers and/or competitors, technological developments, governmental regulations, taxes and policies, availability of adequate and timely sources of liquidity and other risks and uncertainties detailed in the "Forward-Looking Statements," "Risk Factors" and other sections of Altisource's Form 10-K and other filings with the Securities and Exchange Commission.

The financial projections and scenarios contained in this presentation are expressly qualified as forward-looking statements and Altisource makes no representation that the actual financial results will be the same as those set out in the financial projections and scenarios. These financial projections and scenarios should not be unduly relied upon.

Adjusted Operating Income, Pretax Income (Loss) Attributable to Altisource, Adjusted Pretax Income, Adjusted Pretax Income Including Unrealized Gain on Securities, Adjusted Pretax Income Before Investments, Adjusted Net Income, Adjusted Earnings Per Share – Diluted, Adjusted Earnings Including Unrealized Gain on Securities Per Share – Diluted, Adjusted Earnings Before Investments Per Share – Diluted, Adjusted Operating Cash Flow, Free Cash Flow, Adjusted Free Cash Flow, Adjusted Service Revenue Unrelated to Ocwen and Net Debt Less Marketable Securities are non-GAAP measures used by management, existing shareholders, potential shareholders and other users of our financial information to measure Altisource's performance and do not purport to be alternatives to income (loss) before income taxes and non-controlling interests, income (loss) from operations, net income (loss) attributable to Altisource, operating cash flow, diluted earnings (loss) per share, service revenue and long-term debt, including current portion. We believe these measures are useful to management, existing shareholders, potential shareholders and other users of our financial information in evaluating operating profitability more on a continuing cost basis as they exclude amortization expense related to acquisitions that occurred in prior periods, costs related to the development of new businesses and technologies, as well as the effect of more significant non-recurring items from earnings and long term debt net of cash on hand and marketable securities while including income from unrealized gain from available for sale securities. We believe these measures are useful to management, existing shareholders, potential shareholders and other users of our financial information in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management's evaluation of business performance. Furthermore, we believe the exclusion of more significant non-recurring items enables comparability to prior period performance and trend analysis.

It is management's intent to provide non-GAAP financial information to enhance the understanding of Altisource's GAAP financial information, and it should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure. The non-GAAP financial information presented may be determined or calculated differently by other companies. The non-GAAP financial information presented should not be unduly relied upon.

These non-GAAP measures are presented as supplemental information and reconciled to income (loss) before income taxes and non-controlling interests, net income (loss) attributable to Altisource, earnings (loss) per share – diluted, operating cash flow, service revenue or long-term debt, including current portion in the Appendix to this presentation.

# Strategic Initiatives



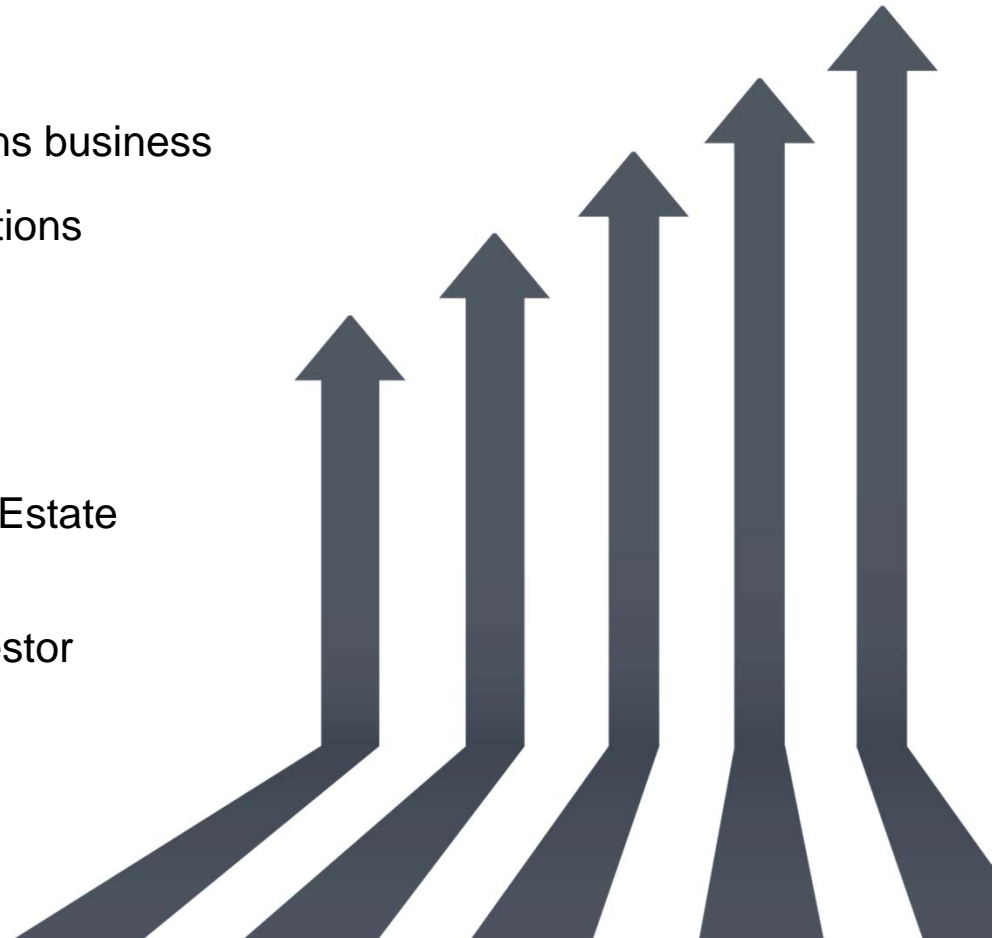
## Mortgage Market

- Grow our Servicer Solutions business
- Grow our Origination Solutions business



## Real Estate Market

- Grow our Consumer Real Estate Solutions business
- Grow our Real Estate Investor Solutions business



# First Quarter 2017 Highlights

## Servicer Solutions

- Strengthened and grew existing customer relationships with leading bank and non-bank servicers
- Began receiving referrals from four customers related to real estate asset management and sales and license fees for Equator® short sales technology, including from one customer for the new FHA auction offering
- Continued the onboarding process to provide services to five new and existing customers for real estate asset management and sales, including the new FHA auction offering for one customer

## Consumer Real Estate Solutions

- Grew the number of Owners.com® real estate agents to 264 as of April 21, 2017
- Currently working with approximately 1,300 active buyers, up from 950 in February
- Represented home buyers and sellers in 143 first quarter home purchase and sale transactions with a total purchase price of \$37 million, a 91% increase in unit sales and a 93% increase in revenue from the fourth quarter of 2016

## Origination Solutions

- Strengthened and grew existing customer relationships with leading bank and non-bank originators
- Signed agreements with two large lenders and are receiving test files to provide fulfillment and quality control services to these clients

## Real Estate Investor Solutions

- Sold 421 homes for real estate investors, primarily for RESI and, to a lesser extent, for other clients
- Acquired 36 homes and sold 39 homes in the buy-renovate-sell program
- Provided diligence and title services on RESI's recent 757 rental home portfolio acquisition

## Corporate

- The fair value of available for sale securities increased by \$17.4 million in the first quarter of 2017

# First Quarter 2017 Financial Results

\$ millions (except EPS)	Q1 2017	Q1 2016	Vs. Q1 2016	Q4 2016	Vs. Q4 2016
Revenue	\$240.5	\$250.1	-4%	\$238.6	1%
Service Revenue	\$229.8	\$234.3	-2%	\$227.2	1%
Pretax Income (Loss) <sup>1</sup>	\$9.7	\$21.1	-54%	(\$19.5)	NM
Adjusted Pretax Income Attributable to Altisource <sup>2</sup>	\$18.3	\$32.9	-44%	\$18.9	-3%
Net Income (Loss) Attributable to Altisource	\$6.5	\$18.5	-65%	(\$20.4)	NM
Adjusted Net Income Attributable to Altisource <sup>2</sup>	\$13.3	\$29.4	-55%	\$10.7	24%
Earnings (Loss) Per Share – Diluted	\$0.34	\$0.92	-63%	(\$1.08)	NM
Adjusted Earnings Per Share – Diluted <sup>2</sup>	\$0.69	\$1.47	-53%	\$0.55	25%

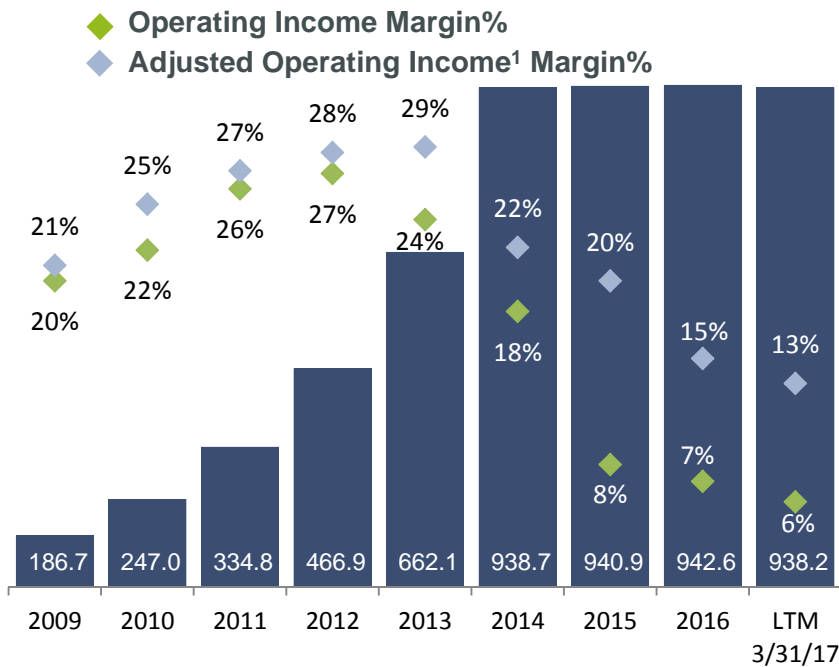
<sup>1</sup> Includes net income attributable to non-controlling interests of \$0.6 million, \$0.7 million and \$0.4 million for Q1 2017, Q4 2016 and Q1 2016, respectively

<sup>2</sup> This is a non-GAAP measure defined and reconciled in the Appendix

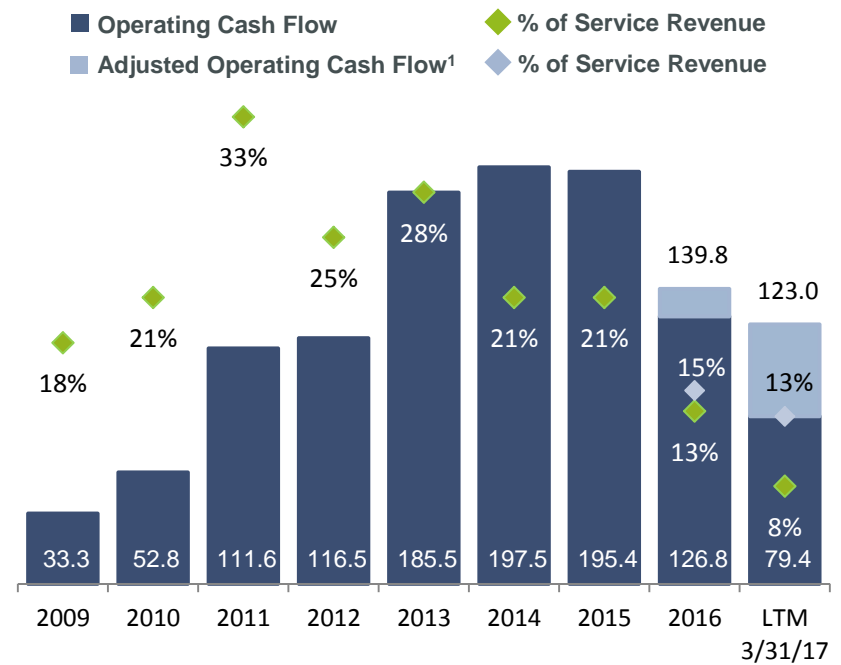
NM: Not Meaningful

# Financial Performance

## Service Revenue (\$ millions)



## Operating Cash Flow (\$ millions)

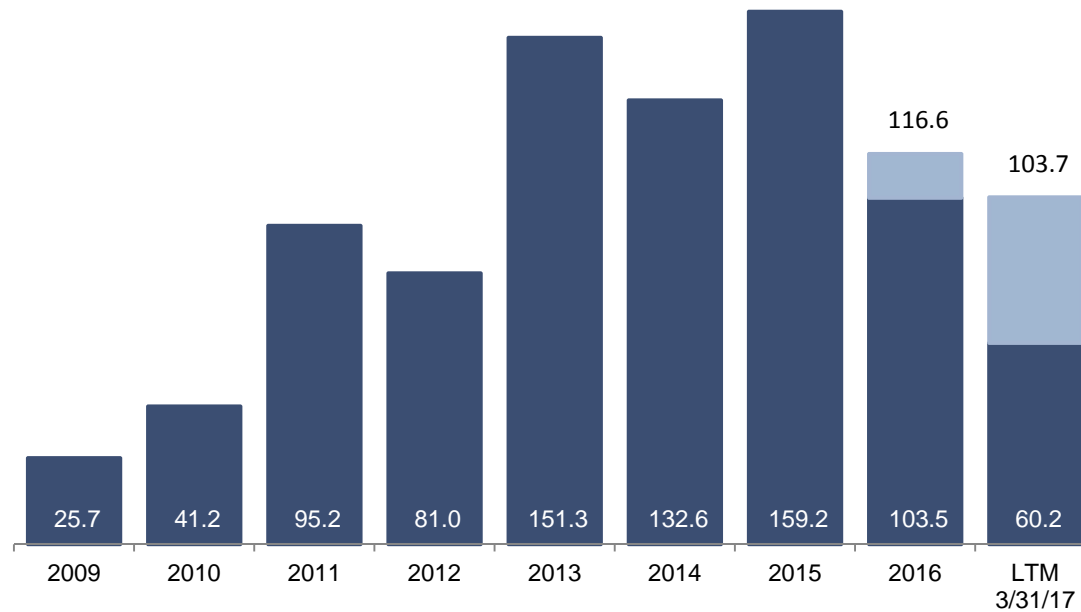


<sup>1</sup> This is a non-GAAP measure defined and reconciled in the Appendix

# Financial Performance

## Free Cash Flow (\$ millions)

- Free Cash Flow<sup>1</sup>
- Adjusted Free Cash Flow<sup>1</sup>

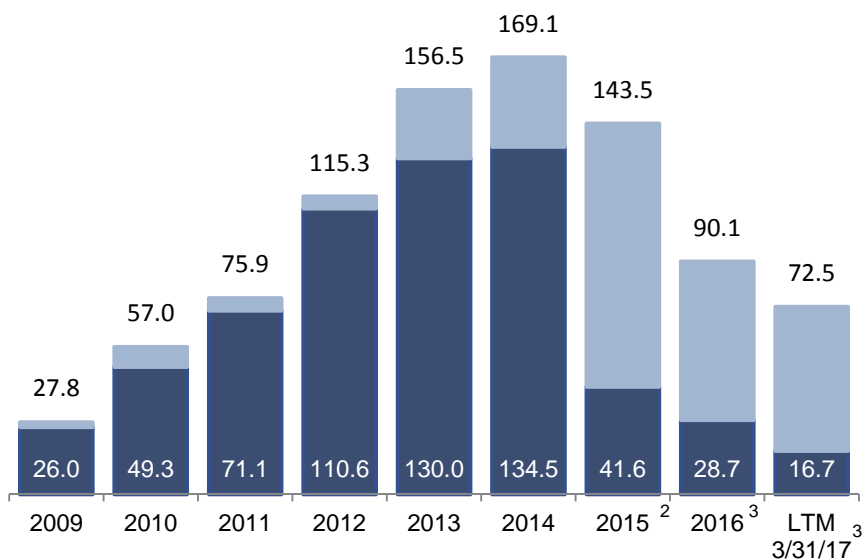


<sup>1</sup> This is a non-GAAP measure defined and reconciled in the Appendix

# Financial Performance

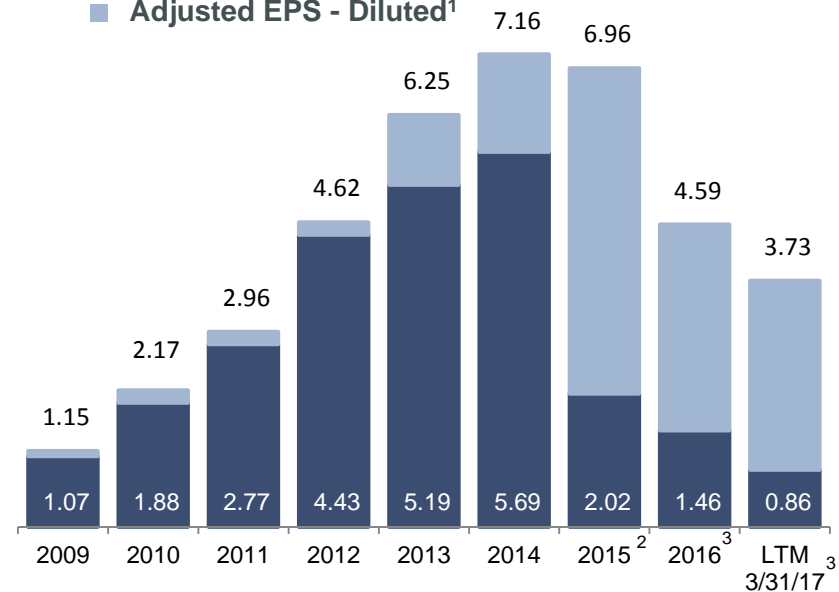
**Net Income Attributable to Altisource (\$ millions)**

- GAAP Net Income
- Adjusted Net Income<sup>1</sup>



**Earnings Per Share - Diluted (\$)**

- GAAP EPS - Diluted
- Adjusted EPS - Diluted<sup>1</sup>



<sup>1</sup> This is a non-GAAP measure defined and reconciled in the Appendix

<sup>2</sup> In 2015, we recognized a \$70.6 million after-tax non-cash impairment loss in our technology businesses

<sup>3</sup> In the fourth quarter 2016, we recognized a \$24.6 million after-tax litigation settlement loss, net of insurance recovery



# 2017 Scenarios

\$ millions (except EPS)	Scenarios			Actual	
	Scenario A <sup>4</sup>	Scenario B <sup>4</sup>	Midpoint of Scenarios A and B	Q1 2017 Actual	Percentage of Midpoint
Service Revenue	\$ 790	\$ 930	\$ 860	\$ 230	27%
Related to Ocwen	\$ 515	\$ 565	\$ 540	\$ 175	32%
Unrelated to Ocwen	\$ 275	\$ 365	\$ 320	\$ 55	17%
Before Investments:					
Adjusted Pretax Income <sup>2</sup>	\$ 126	\$ 132	\$ 129	\$ 32	25%
Adjusted Earnings per Share - Diluted <sup>2</sup>	\$ 4.57	\$ 4.79	\$ 4.68	\$ 1.21	26%
Investments <sup>3</sup>	\$ 54	\$ 47	\$ 50	\$ 14	28%
After Investments:					
Pretax Income <sup>1,2</sup>	\$ 38	\$ 50	\$ 44	\$ 9	21%
Adjusted Pretax Income <sup>2</sup>	\$ 72	\$ 85	\$ 78	\$ 18	23%
Net Income <sup>1</sup>	\$ 25	\$ 34	\$ 30	\$ 7	22%
Adjusted Net Income <sup>2</sup>	\$ 50	\$ 59	\$ 54	\$ 13	24%
Earnings per Share - Diluted	\$ 1.32	\$ 1.78	\$ 1.55	\$ 0.34	22%
Adjusted Earnings per Share - Diluted <sup>2</sup>	\$ 2.59	\$ 3.05	\$ 2.82	\$ 0.69	24%

<sup>1</sup> Attributable to Altisource

<sup>2</sup> This is a non-GAAP measure defined and reconciled in the Appendix

<sup>3</sup> For the purposes of this presentation, investments are primarily comprised of operating losses of some of our earlier stage businesses and technology development costs that we do not capitalize. Investments exclude capital expenditures

<sup>4</sup> Assumes (1) an effective income tax rate of 29.2% as we anticipate that the mix of income across the jurisdictions in which we operate will be similar to 2016 and (2) the average number of diluted shares outstanding will be 19.2 million

Note: Numbers may not sum due to rounding



# Appendix

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- Non-GAAP Measures..... 12
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# Operating Metrics

	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	
<b>Ocwen Serviced Portfolio:</b>										
<b>Default Related Services excluding mortgage charge-off:</b>										
Service revenue per delinquent loan <sup>1</sup> per quarter <sup>2</sup>										
Non-GSE	\$ 390	\$ 486	\$ 565	\$ 598	\$ 611	\$ 692	\$ 722	\$ 719	\$ 810	
GSE <sup>3</sup>	\$ 69	\$ 98	\$ 125	\$ 85	\$ 93	\$ 100	\$ 114	\$ 110	\$ 95	
Average number of delinquent loans serviced by Ocwen on REALServicing <sup>4</sup>										
Non-GSE (in thousands)	310	279	269	257	238	222	211	204	191	
GSE (in thousands)	79	64	50	34	25	20	19	18	17	
Average delinquency rate of loans on REALServicing										
Non-GSE	23.2%	21.7%	21.5%	21.3%	20.4%	19.6%	19.3%	19.3%	18.7%	
GSE	7.5%	7.2%	7.4%	7.3%	6.6%	5.7%	5.8%	5.8%	5.5%	
Provisional loan count on REALServicing as of the end of the period										
Non-GSE (in thousands)	1,311	1,270	1,232	1,193	1,158	1,146	1,081	1,046	1,012	
GSE (in thousands)	1,046	750	568	397	360	355	325	315	308	
<b>Servicer Technologies and IT Infrastructure Services:</b>										
Service revenue per loan per quarter	\$10	\$14	\$13	\$16	\$11	\$10	\$12	\$13	\$9	
Average number of loans serviced by Ocwen on REALServicing (in thousands) <sup>4</sup>										
	2,401	2,180	1,932	1,680	1,543	1,487	1,425	1,376	1,334	

<sup>1</sup> Delinquent loans include loans that are delinquent for more than 30 days including loans in bankruptcy, foreclosure and REO

<sup>2</sup> Includes service revenue related to the portfolios serviced by Ocwen when a party other than Ocwen selects Altisource as a service provider. Service revenue generated from certain services is not recorded separately for non-GSE and GSE loans. For these services, service revenue has been allocated between non-GSE and GSE loans based on estimates

<sup>3</sup> Throughout this presentation, GSE includes Government National Mortgage Association (Ginnie Mae)

<sup>4</sup> Average loans serviced for Q1'17 is provisional and subject to change

# Operating Metrics

	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17
<b>Hubzu:</b>									
Service revenue (in millions) <sup>1,2,3</sup>	\$ 50.5	\$ 55.4	\$ 54.9	\$ 51.7	\$ 55.0	\$ 61.4	\$ 55.6	\$ 50.8	\$ 53.5
Number of homes sold on Hubzu:									
Ocwen serviced portfolios	7,424	7,869	7,552	6,903	6,477	6,596	6,221	5,991	6,000
All other <sup>4</sup>	881	1,168	936	930	1,201	1,329	824	557	534
<b>Total</b>	<b>8,305</b>	<b>9,037</b>	<b>8,488</b>	<b>7,833</b>	<b>7,678</b>	<b>7,925</b>	<b>7,045</b>	<b>6,548</b>	<b>6,534</b>

<sup>1</sup> Revenue from Ocwen homes sold on Hubzu is also reflected in service revenue per delinquent loan per quarter reported in the previous slide

<sup>2</sup> To conform with Q1'17 presentation, prior period amounts have been reclassified to reflect a change in Hubzu's share of revenue from certain other Servicer Solutions services

<sup>3</sup> Includes brokerage and fees generated from the sale of homes under the company's buy-renovate-sell program

<sup>4</sup> Includes homes sold under the company's buy-renovate-sell program

# Non-GAAP Measures

- Adjusted Operating Income, Pretax Income Attributable to Altisource, Adjusted Pretax Income, Adjusted Pretax Income Including Unrealized Gain on Securities, Adjusted Pretax Income before Investments, Adjusted Net Income, Adjusted Earnings Per Share – Diluted, Adjusted Earnings Including Unrealized Gain on Securities Per Share – Diluted, Adjusted Earnings Before Investments Per Share - Diluted, Adjusted Operating Cash Flow, Free Cash Flow, Adjusted Free Cash Flow, Adjusted Service Revenue Unrelated to Ocwen and Net Debt Less Marketable Securities, are non-GAAP measures used by our Chief Operating Decision Maker, existing shareholders and potential shareholders to measure Altisource's performance
- Adjusted Operating Income is calculated by adding intangible asset amortization expense, non-cash impairment losses and litigation settlement loss, net of insurance recovery to, and deducting non-cash gains associated with reductions of the Equator earn out liability from, GAAP income (loss) from operations
- Pretax Income (Loss) Attributable to Altisource is calculated by reducing net income attributable to non-controlling interests from income (loss) before income taxes and non-controlling interests
- Adjusted Pretax Income is calculated by adding intangible assets amortization expense, non-cash impairment losses and litigation settlement loss, net of insurance recovery to, and deducting non-cash gains associated with reductions of the Equator earn out liability and net income attributable to non-controlling interests from, income (loss) before income taxes and non-controlling interests
- Adjusted Pretax Income Including Unrealized Gain on Securities is calculated by adding intangible assets amortization expense, non-cash impairment losses, litigation settlement loss, net of insurance recovery and unrealized gain on available for sale securities to, and deducting net income attributable to non-controlling interests from, income (loss) before income taxes and non-controlling interests
- Adjusted Pretax Income before Investments is calculated by adding intangible assets amortization expense, non-cash impairment losses, litigation settlement loss, net of insurance recovery and investments<sup>1</sup> to, and deducting non-cash gains associated with reductions of the Equator earn out liability and net income attributable to non-controlling interests from, income (loss) before income taxes and non-controlling interests
- Adjusted Net Income is calculated by adding intangible asset amortization expense (net of tax), non-cash impairment losses (net of tax) and litigation settlement loss, net of insurance recovery (net of tax) to, and deducting non-cash gains associated with reductions of the Equator earn out liability (net of tax) from, GAAP net income (loss) attributable to Altisource

<sup>1</sup> For the purposes of this presentation, investments are primarily comprised of operating losses of some of our earlier stage businesses and technology development costs that we do not capitalize. Investments exclude capital expenditures

# Non-GAAP Measures

- Adjusted Earnings Per Share - Diluted is calculated by dividing net income (loss) attributable to Altisource plus adding intangible asset amortization expense (net of tax), non-cash impairment losses (net of tax) and litigation settlement loss, net of insurance recovery (net of tax) less non-cash gains associated with reductions of the Equator earn out liability (net of tax) by the weighted average number of diluted shares
- Adjusted Earnings Including Unrealized Gain on Securities Per Share – Diluted is calculated by dividing net income (loss) attributable to Altisource plus adding intangible asset amortization expense (net of tax), non-cash impairment losses (net of tax), litigation settlement loss, net of insurance recovery (net of tax) and unrealized gain on available for sale securities (net of tax) by the weighted average number of diluted shares
- Adjusted Earnings Before Investments Per Share - Diluted is calculated by dividing net income (loss) attributable to Altisource plus adding intangible asset amortization expense (net of tax), non-cash impairment losses (net of tax), litigation settlement loss, net of insurance recovery (net of tax) and investments<sup>1</sup> (net of tax) less non-cash gains associated with reductions of the Equator earn out liability (net of tax) by the weighted average number of diluted shares
- Adjusted Operating Cash Flow is calculated by adding litigation settlement loss, net of insurance recovery, and short-term real-estate investments related to the buy-renovate-sell program to operating cash flow
- Free Cash Flow is calculated by deducting capital expenditures from operating cash flow
- Adjusted Free Cash Flow is calculated by adding litigation settlement loss, net of insurance recovery and short-term real-estate investments related to the buy-renovate-sell program to, and deducting capital expenditures from, operating cash flow
- Adjusted Service Revenue Unrelated to Ocwen is calculated by reducing the amortization of deferred revenue recorded in connection with the 2013 Equator acquisition from the applicable GAAP service revenue amount
- Net Debt Less Marketable Securities is calculated as long-term debt, including current portion, minus cash and cash equivalents and marketable securities
- The reconciliations of non-GAAP measures to GAAP measures are shown on slides 14 to 20

<sup>1</sup> For the purposes of this presentation, investments are primarily comprised of operating losses of some of our earlier stage businesses and technology development costs that we do not capitalize. Investments exclude capital expenditures

# Non-GAAP Measures

Reconciliation (\$ in millions except share count and per share values)	LTM 3/31/17													
	2009	2010	2011	2012	2013	2014	2015	2016	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Total
Income (loss) before taxes and non-controlling interests	37.6	55.8	85.9	124.6	142.3	147.3	53.1	44.3	21.1	24.0	18.8	(19.5)	9.7	33.0
Less: Net income attributable to non-controlling interests	-	(6.9)	(6.9)	(5.3)	(3.8)	(2.6)	(3.2)	(2.7)	(0.4)	(0.7)	(0.9)	(0.7)	(0.6)	(2.9)
GAAP Pretax Income (Loss) Attributable to Altisource	37.6	48.9	79.1	119.4	138.5	144.7	49.9	41.6	20.7	23.3	17.9	(20.3)	9.1	30.1
Add: Intangible asset amortization expense	2.7	4.9	5.3	5.0	28.2	37.7	41.1	47.6	12.2	12.8	11.5	11.1	9.1	44.5
Add: Impairment loss	-	2.8	-	-	-	37.5	71.8	-	-	-	-	-	-	-
Gain on Equator earn out liability	-	-	-	-	-	(37.9)	(7.6)	-	-	-	-	-	-	-
Add: Litigation settlement loss <sup>1</sup>	-	-	-	-	-	-	-	28.0	-	-	-	28.0	-	28.0
Adjusted Pretax Income	40.2	56.6	84.3	124.4	166.7	181.9	155.2	117.2	32.9	36.0	29.4	18.9	18.3	102.6
Unrealized gain on securities									1.0			0.6	17.4	
Adjusted Pretax Income Including Unrealized Gain on Securities									33.9			19.5	35.7	
GAAP Operating Income (Loss)	36.5	55.0	85.7	127.4	162.1	170.5	79.1	65.1	27.7	27.2	24.9	(14.6)	14.8	52.3
Add: Intangible asset amortization expense	2.7	4.9	5.3	5.0	28.2	37.7	41.1	47.6	12.2	12.8	11.5	11.1	9.1	44.5
Add: Impairment loss	-	2.8	-	-	-	37.5	71.8	-	-	-	-	-	-	-
Gain on Equator earn out liability	-	-	-	-	-	(37.9)	(7.6)	-	-	-	-	-	-	-
Add: Litigation settlement loss <sup>1</sup>	-	-	-	-	-	-	-	28.0	-	-	-	28.0	-	28.0
Adjusted Operating Income	39.2	62.7	91.0	132.5	190.2	207.7	184.4	140.7	39.9	40.0	36.3	24.5	24.0	124.8
GAAP Net Income (Loss) Attributable to Altisource	26.0	49.3	71.1	110.6	130.0	134.5	41.6	28.7	18.5	20.0	10.6	(20.4)	6.5	16.7
Add: Intangible asset amortization expense, net of tax	1.8	4.9	4.8	4.7	26.5	35.1	38.2	36.8	10.9	11.0	7.0	6.5	6.7	31.2
Add: Impairment loss, net of tax	-	2.8	-	-	-	34.9	70.6	-	-	-	-	-	-	-
Gain on Equator earn out liability, net of tax	-	-	-	-	-	(35.3)	(6.9)	-	-	-	-	-	-	-
Add: Litigation settlement loss <sup>1</sup> , net of tax	-	-	-	-	-	-	-	24.6	-	-	-	24.6	-	24.6
Adjusted Net Income	27.8	57.0	75.9	115.3	156.5	169.1	143.5	90.1	29.4	31.0	17.6	10.7	13.3	72.5

<sup>1</sup> Net of insurance recovery

Note: Numbers may not sum due to rounding



# Non-GAAP Measures

LTM 3/31/17

Reconciliation (\$ in millions except share count and per share values)	2009	2010	2011	2012	2013	2014	2015	2016	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Total
GAAP Earnings (Loss) Per Share – Diluted	1.07	1.88	2.77	4.43	5.19	5.69	2.02	1.46	0.92	1.02	0.54	(1.08)	0.34	0.86 <sup>2</sup>
Add: Impact of using diluted share count instead of basic share count	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-
Add: Intangible asset amortization expense, net of tax per diluted share	0.08	0.19	0.19	0.19	1.06	1.48	1.85	1.88	0.55	0.56	0.36	0.34	0.35	1.60 <sup>2</sup>
Add: Impairment loss, net of tax per diluted share	-	0.11	-	-	-	1.48	3.43	-	-	-	-	-	-	-
Gain on Equator earn out liability, net of tax per diluted share	-	-	-	-	-	(1.49)	(0.34)	-	-	-	-	-	-	-
Add: Litigation settlement loss <sup>1</sup> , net of tax per diluted share	-	-	-	-	-	-	-	1.25	-	-	-	1.28	-	1.27 <sup>2</sup>
Adjusted Earnings Per Share – Diluted	1.15	2.17	2.96	4.62	6.25	7.16	6.96	4.59	1.47	1.58	0.90	0.55	0.69	3.73 <sup>2</sup>
Unrealized Gain on Securities, net of tax per diluted share									0.03			0.02	0.66	
Adjusted Earnings Including Unrealized Gain on Securities Per Share- Diluted									1.50			0.58	1.35	
Operating Cash Flow	33.3	52.8	111.6	116.5	185.5	197.5	195.4	126.8	29.0	40.4	36.6	20.8	(18.4)	79.4
Add: Litigation settlement loss <sup>1</sup>	-	-	-	-	-	-	-	-	-	-	-	-	28.0	28.0
Add: Short-term real estate investments related to buy-renovate-sell	-	-	-	-	-	-	-	13.0	-	2.0	6.6	4.4	2.5	15.5
Adjusted Operating Cash Flow	33.3	52.8	111.6	116.5	185.5	197.5	195.4	139.8	29.0	42.4	43.2	25.2	12.2	123.0
Operating Cash Flow	33.3	52.8	111.6	116.5	185.5	197.5	195.4	126.8	29.0	40.4	36.6	20.8	(18.4)	79.4
Less: Capital Expenditures	7.5	11.6	16.4	35.6	34.1	64.8	36.2	23.3	6.0	6.5	4.1	6.7	1.9	19.2
Free Cash Flow	25.7	41.2	95.2	81.0	151.3	132.6	159.2	103.5	23.1	33.9	32.5	14.0	(20.3)	60.2
Add: Litigation settlement loss payment <sup>1</sup>	-	-	-	-	-	-	-	-	-	-	-	-	28.0	28.0
Add: Short-term real estate investments related to buy-renovate-sell	-	-	-	-	-	-	-	13.0	-	2.0	6.6	4.4	2.5	15.5
Adjusted Free Cash Flow	25.7	41.2	95.2	81.0	151.3	132.6	159.2	116.6	23.1	35.9	39.1	18.4	10.2	103.7

<sup>1</sup> Net of insurance recovery

<sup>2</sup> Calculated by dividing the related after-tax items by the diluted share count for the trailing twelve months ended March 31, 2017

Note: Numbers may not sum due to rounding



# Non-GAAP Measures

LTM 3/31/17

Reconciliation (\$ in millions except share count and per share)	2009	2010	2011	2012	2013	2014	2015	2016	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Total
Calculation of the impact of intangible asset amortization expense, net of tax														
Intangible amortization expense	2.7	4.9	5.3	5.0	28.2	37.7	41.1	47.6	12.2	12.8	11.5	11.1	9.1	44.5
Tax benefit from intangible asset amortization	(0.8)	-	(0.5)	(0.4)	(1.7)	(2.6)	(2.9)	(10.8)	(1.3)	(1.8)	(4.5)	(4.7)	(2.4)	(13.4)
Intangible asset amortization expense, net of tax	1.8	4.9	4.8	4.7	26.5	35.1	38.2	36.8	10.9	11.0	7.0	6.5	6.7	31.2
Diluted share count (in 000s)	24,261	26,259	25,685	24,962	25,053	23,634	20,619	19,612	20,040	19,604	19,568	19,246	19,304	19,431 <sup>1</sup>
Intangible asset amortization expense, net of tax per diluted share	0.08	0.19	0.19	0.19	1.06	1.48	1.85	1.88	0.55	0.56	0.36	0.34	0.35	1.60
Calculation of the impact of impairment loss, net of tax														
Impairment loss	-	2.8	-	-	-	37.5	71.8	-	-	-	-	-	-	-
Tax benefit from impairment loss	-	-	-	-	-	(2.6)	(1.2)	-	-	-	-	-	-	-
Impairment loss, net of tax	-	2.8	-	-	-	34.9	70.6	-	-	-	-	-	-	-
Diluted share count (in 000s)	24,261	26,259	25,685	24,962	25,053	23,634	20,619	19,612	20,040	19,604	19,568	19,246	19,304	19,431 <sup>1</sup>
Impairment loss, net of tax per diluted share	-	0.11	-	-	-	1.48	3.43	-	-	-	-	-	-	-
Calculation of the gain on the Equator earn out liability, net of tax														
Gain on Equator earn out liability	-	-	-	-	-	(37.9)	(7.6)	-	-	-	-	-	-	-
Tax benefit from gain on Equator earn out liability	-	-	-	-	-	2.6	0.7	-	-	-	-	-	-	-
Gain on Equator earn out liability, net of tax	-	-	-	-	-	(35.3)	(6.9)	-	-	-	-	-	-	-
Diluted share count (in 000s)	24,261	26,259	25,685	24,962	25,053	23,634	20,619	19,612	20,040	19,604	19,568	19,246	19,304	19,431 <sup>1</sup>
Gain on Equator earn out liability, net of tax per diluted share	-	-	-	-	-	(1.49)	(0.34)	-	-	-	-	-	-	-

<sup>1</sup> Calculated as the simple average of the quarterly diluted share counts in each quarter of the twelve month period ended March 31, 2017

Note: Numbers may not sum due to rounding

# Non-GAAP Measures

LTM 3/31/17

Reconciliation (\$ in millions except share count and per share)	2009	2010	2011	2012	2013	2014	2015	2016	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Total
Calculation of the impact of litigation loss, net of tax														
Litigation settlement loss <sup>1</sup>	-	-	-	-	-	-	-	28.0	-	-	-	28.0	-	28.0
Tax benefit from litigation settlement loss <sup>1</sup>	-	-	-	-	-	-	-	(3.4)	-	-	-	(3.4)	-	(3.4)
Litigation settlement loss <sup>1</sup> , net of tax	-	-	-	-	-	-	-	24.6	-	-	-	24.6	-	24.6
Diluted share count (in 000s)	24,261	26,259	25,685	24,962	25,053	23,634	20,619	19,612	20,040	19,604	19,568	19,246	19,304	19,431 <sup>2</sup>
Litigation settlement loss <sup>1</sup> , net of tax per diluted share	-	-	-	-	-	-	-	1.25	-	-	-	1.28	-	1.27
Calculation of the impact of unrealized gain on securities, net of tax														
Unrealized gain on securities									1.0			0.6		17.4
Tax benefit from unrealized gain on securities									(0.3)			(0.2)		(4.7)
Unrealized gain on securities, net of tax									0.7			0.4		12.7
Diluted share count (in 000s)									20,040			19,246		19,304
Unrealized gain on securities, net of tax per diluted share									0.03			0.02		0.66

<sup>1</sup> Net of insurance recovery

<sup>2</sup> Calculated as the simple average of the quarterly diluted share counts in each quarter of the twelve month period ended March 31, 2017

Note: Numbers may not sum due to rounding



# Non-GAAP Measures

Reconciliation (\$ in millions except share count and per share values)	2017 Scenarios			Actual
	A	B	Midpoint	Q1 2017
Income before taxes and non-controlling interests	42	55	48	10
Less: Net income attributable to non-controlling interests	(5)	(5)	(5)	(1)
Pretax Income Attributable to Altisource	38	50	44	9
Add: Intangible asset amortization expense	35	35	35	9
Adjusted Pretax Income	72	85	78	18
Add: Investments <sup>1</sup>	54	47	50	14
Adjusted Pretax Income Before Investments	126	132	129	32
GAAP Net Income Attributable to Altisource	25	34	30	7
Add: Intangible asset amortization expense, net of tax	24	24	24	7
Adjusted Net Income	50	59	54	13
GAAP Earnings Per Share – Diluted	1.32	1.78	1.55	0.34
Add: Intangible asset amortization expense, net of tax per diluted share	1.27	1.27	1.27	0.35
Adjusted Earnings After Investments Per Share - Diluted	2.59	3.05	2.82	0.69
Add: Investments <sup>1</sup> , net of tax per diluted share	1.98	1.73	1.86	0.52
Adjusted Earnings Before Investments Per Share - Diluted	4.57	4.79	4.68	1.21

<sup>1</sup> For the purposes of this presentation, investments are primarily comprised of operating losses of some of our earlier stage businesses and technology development costs that we do not capitalize. Investments exclude capital expenditures

Note: Numbers may not sum due to rounding

# Non-GAAP Measures

Reconciliation (\$ in millions except share count and per share values)	2017 Scenarios			Actual
	A	B	Midpoint	Q1 2017
Calculation of the impact of intangible asset amortization expense, net of tax per share				
Intangible amortization expense	35	35	35	9
Tax benefit from intangible asset amortization	(10)	(10)	(10)	(2)
Intangible asset amortization expense, net of tax	24	24	24	7
Diluted share count (in 000s)	19,175	19,175	19,175	19,304
Intangible asset amortization expense, net of tax per diluted share	1.27	1.27	1.27	0.35
Calculation of the impact of investments <sup>1</sup> , net of tax per share				
Investment expenses	54	47	50	14
Tax benefit from investment expenses	(16)	(14)	(14)	(4)
Investment expenses, net of tax	38	33	36	10
Diluted share count (in 000s)	19,175	19,175	19,175	19,304
Investment expenses, net of tax per diluted share	1.98	1.73	1.86	0.52

## Net Debt Less Marketable Securities

Reconciliation (\$ in millions)	March 31, 2016	March 31, 2017
Senior secured term loan	\$535.1	\$478.2
Less: Cash and cash equivalents	(159.7)	(117.1)
Less: Marketable securities	(30.4)	(63.2)
Net debt less marketable securities	\$345.0	\$297.9

<sup>1</sup> For the purposes of this presentation, investments are primarily comprised of operating losses of some of our earlier stage businesses and technology development costs that we do not capitalize. Investments exclude capital expenditures

Note: Numbers may not sum due to rounding

# Investor Relations Information

About Altisource	Altisource Portfolio Solutions S.A. is an integrated service provider and marketplace for the real estate and mortgage industries. Combining operational excellence with a suite of innovative services and technologies, Altisource helps solve the demands of the ever-changing market.
Contact Information	All Investor Relations inquiries should be sent to: <b><a href="mailto:Investor.relations@altisource.com">Investor.relations@altisource.com</a></b>
Exchange	NASDAQ Global Select Market
Ticker	ASPS
Headquarters	Luxembourg
Employees	Approximately 8,100



# Altisource<sup>®</sup>

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